

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JANUARY 16, 2008

4:00 P.M.

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT
2000 POST ROAD, WARWICK, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:10 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D; James Forte; Robert D. Sangster; Michael Traficante; Russell Hahn; Joseph Larisa (arrived at 4:30 p.m.)

BOARD MEMBER ABSENT: Joseph Cianciolo.

ALSO PRESENT: Peter A. Frazier, Interim President and CEO; Brian C. Schattle, Chief Financial Officer; Ann Clarke, Senior Vice President Planning, Engineering and Environment; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Hahn and seconded by Mr. Traficante to approve the minutes of the Board Meeting of December 19, 2007, as amended. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from Chair, Board of Directors:

Dr. Hittner welcomed Mr. Kevin Dillon to the meeting. Mr. Dillon will be joining the Corporation as President and CEO on February 25, 2008. Dr. Hittner gave a brief overview of the President and CEO selection process.

4. Report from President and CEO:

Mr. Frazier reported that passenger numbers for the month of December were down 5.64% and down 3.54% year to date. Mr. Frazier noted that total passengers for calendar year 2007 exceeded 5 million.

Mr. Frazier reported that RIAC, TSA, RIEMA and other state agencies had conducted a debrief on the Air Wisconsin incident. Mr. Frazier

noted that there will also be internal briefings with the tenants and RIAC staff.

Mr. Frazier reported that two pieces of donated artwork have now been installed in the Hope Reflection Room. There will be a dedication ceremony at a later date.

Mr. Frazier reported that the Rhode Island Hospitality Association will be conducting customer service training for taxi drivers on February 13, 2008 in the Board Room.

Mr. Frazier reported that the Corporation will be hosting a Benefits Fair for all RIAC Employees on Friday, January 18, 2008 in the FIS facility.

5. Operations and Capital Committee Report:

Mr. Forte reported that he had recently signed two change orders.

**Skanska PVD - Terminal Security Relocate, Remount & Add Cameras
- Security Checkpoint \$ 52,303.00**

Extend Substantial Completion Date to Feb. 1, 2008 \$ 89,450.00

Mr. Forte reported that there were items on the consent agenda for approval by the Board. It was noted that items (g) and (h) did not receive unanimous votes and were being removed from the consent

agenda for action by the Board.

6. Consent Agenda:

A motion was made by Mr. Traficante and seconded by Mr. Hahn to approve items 6(a) through 6(f) on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval of a Consultant Task Order for the Independent Feasibility Report for the Proposed Fiscal Year 2008 Bond Issue.

WHEREAS, the Rhode Island Airport Corporation (RIAC) intends to finance several Capital Improvement Program Projects by requesting the Rhode Island Economic Development Corporation (EDC) to issue up to \$93,440,000 in Airport Revenue Bonds (the proposed Fiscal Year 2008 Bond Issuance); and

WHEREAS, RIAC is required to undergo an Independent Feasibility Report for the proposed financing; and

WHEREAS, the Board of Directors approved the selection of Ricondo and Associates, Inc. (Ricondo) as Airport Consultants at the December 2005 Board of Directors meeting; and

WHEREAS, the completion of an Independent Feasibility Report is contemplated under the terms of the Professional Service Agreement

(PSA) with Ricondo and Associates; and

WHEREAS, Ricondo has provided RIAC a scope and fee for the completion of an Independent Feasibility Study in the amount of \$107,300; and

WHEREAS, this task will initially be funded with General Purpose funds to be reimbursed from bond proceeds as a cost of issuance upon completion of the bond issue.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Consultant Task Order with Ricondo and Associates, Inc. for the completion of an Independent Feasibility Report as part of the proposed Fiscal Year 2008 Bond Issuance in an amount not-to-exceed \$107,300.

(b) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement for Insurance Brokerage Services.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, it has been determined that there is a need for Insurance

Brokerage Services; and

WHEREAS, RIAC provides funding for these services through its Operating and Maintenance (O & M) budget annually; and

WHEREAS, RIAC issued a Request for Proposals (RFP) for Insurance Brokerage Services in December 2007; and

WHEREAS, RIAC received submittals from three firms Aon Risk Services, Inc. of Rhode Island (Aon), Marsh Inc., and Willis of Massachusetts; and

WHEREAS, RIAC formed a Selection Committee consisting of Peter Frazier, Interim President and CEO; Brian Schattle, Chief Financial Officer; Jason Doyle, Corporate Controller and Mark Klevanosky, RIAC's Insurance Consultant; and

WHEREAS, all three firms that submitted proposals were invited to make a formal presentation to the Selection Committee and respond to inquiries regarding their submittals on January 10, 2008; and

WHEREAS, the Selection Committee interviewed the firms on January 10, 2008 and ranked Aon as the top firm based on the selection criteria; and

WHEREAS, staff recommends award of a one year Professional

Services Agreement with two additional one year extensions at the discretion of RIAC to Aon Risk Services, Inc. of Rhode Island.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Professional Services Agreement with Aon Risk Services, Inc. of Rhode Island to provide Insurance Brokerage Services in an amount of \$52,500 per year for one-year with two additional one-year extensions at the discretion of RIAC.

(c) Consideration of and Action Upon Approval of a Task Order for Fenceline Maintenance and Repair at Block Island Airport.

WHEREAS, the current fencing at Block Island Airport has been damaged or is falling down due to encroaching vegetation; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into Professional Services Agreements (PSA) with Statewide Fence Builders, Inc., Citiworks, Inc., and COSCO Fencing & Guardrail to provide on-call fence materials and repair services; and

WHEREAS, RIAC solicited estimates to replace 3,800 linear feet of fence from the three on-call fence materials and repair services contractors; and

WHEREAS, the estimate from Citiworks, Inc. to furnish and install 3,800 linear feet of 10 foot black vinyl clad fencing in the amount of \$170,962 was the lowest estimate received; and

WHEREAS, the approved Fiscal Year 2008 Operating Capital budget does not include funding for this project; and

WHEREAS, the expenditures associated with this project will be funded as an unbudgeted project with General Purpose Funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Task Order with Citiworks Inc. to provide labor, materials and installation services for the Fenceline Replacement at Block Island Airport in an amount not-to-exceed \$170,962.

(d) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement for the Terminal Security Projects at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide Construction Management at Risk Services for the Terminal Security Project; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, there have been several Change Orders related to unforeseen field conditions and third party requirements that had the potential to affect the overall substantial completion date; and

WHEREAS, RIAC and Skanska have previously identified these items as potential schedule impacts and made every effort to minimize their affects; and

WHEREAS, since issuing the GMP, RIAC has authorized sixty-three change orders totaling \$3,007,361, bringing the total amount of the GMP to \$71,170,061 before this proposed Change Order; and

WHEREAS, RIAC approved a Change Order to revise the contract substantial completion date from December 8, 2007 to February 1, 2008 in the amount of \$89,450, while final negotiations were taking place; and

WHEREAS, RIAC staff and Skanska have negotiated an extended substantial completion date of the Guaranteed Maximum Price (GMP) Agreement to May 21, 2008 for the amount of \$138,216.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Change Order with Skanska USA Building, Inc. to extend the substantial completion date of the Guaranteed Maximum Price (GMP) Agreement to May 21, 2008 for the amount of \$138,216.

(e) Consideration of and Action Upon Approval of a Task Order Amendment for the New Terminal Building and Aircraft Hangar Relocation Project at Block Island Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Torrado Architects (Torrado) to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from Torrado to provide construction administration services for the New Terminal Building and Aircraft Hangar Relocation Project at Block Island Airport in the amount of \$404,000 and staff is currently conducting negotiations; and

WHEREAS, this amendment will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Task Order Amendment with Torrado for the New Terminal Building and Hangar Relocation Project at Block Island Airport in the amount of \$404,000.

(f) Consideration of and Action Upon Approval of a Consultant Contract Amendment for the New Customer Hangar at Quonset Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with EarthTech Architecture (EarthTech) to provide design and construction management services related to the construction of an aircraft hangar, FBO terminal and a two-story office facility in the amount of \$463,748.37 to perform the design and bid phase services of the project; and

WHEREAS, RIAC has received a scope and fee from EarthTech to

provide construction administration services for the New Customer Hangar Project at Quonset Airport in the amount of \$500,000 and staff is currently conducting negotiations; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Consultant Contract Amendment with EarthTech for the New Customer Hangar Project at Quonset Airport in the amount of \$500,000.

7. Action Item:

(g) Consideration of and Action Upon Approval of a Construction Contract for the New Terminal Building and Aircraft Hangar Relocation Project at Block Island Airport.

A motion was made by Mr. Forte and seconded by Mr. Sangster to approve the following resolution. The motion was passed by four in the affirmative with one member voting no. Those votes are as follows:

YEAS: Kathleen Hittner. M.D.

James Forte

Robert D. Sangster

Russell Hahn

NAY: Michael Traficante

ABSTAIN: None

WHEREAS, the New Terminal Building and Hangar Relocation Project is included in the approved Fiscal Year 2008 Rhode Island Airport Corporation (RIAC) Capital Improvement Program (CIP) budget in the amount of \$6,600,000; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules for the New Terminal Building and Hangar Relocation Project at Block Island Airport; and

WHEREAS, on November 21, 2007, bids were received from six interested firms; and

WHEREAS, the firm of Torrado Architects (Torrado), serving as RIAC's design consultant for this project, determined that TracBuilders, Inc. (Trac) submitted the lowest responsive and responsible bid; and

WHEREAS, RIAC staff recommended award of this contract to Trac at the December 2007 Operations and Capital Committee (Committee) Meeting; and

WHEREAS, the Committee tabled the motion and requested that staff further evaluate certain information related to Trac's ability to complete a project of this scope; and

WHEREAS, Torrado and RIAC performed additional analysis based on the Committee's concerns and reaffirms their recommendation to award this contract to Trac; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Construction Contract with TracBuilders, Inc. for the New Terminal Building and Hangar Relocation Project at Block Island Airport in the amount of \$5,194,000.

(h) Consideration of and Action Upon Approval of a Construction Contract for the New Customer Hangar Project at Quonset Airport.

A motion was made by Mr. Forte and seconded by Mr. Hahn to approve the following resolution. The motion was passed by four in the affirmative with one member voting no. Those votes are as follows:

YEAS: Kathleen Hittner. M.D.

James Forte

Robert D. Sangster

Russell Hahn

NAY: Michael Traficante

ABSTAIN: None

WHEREAS, the New Customer Hangar project is included in the approved Rhode Island Airport Corporation (RIAC) Fiscal Year 2008

Capital Improvement Program (CIP) budget in the amount of \$7,205,415; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules for the New Customer Hangar Project at Quonset Airport; and

WHEREAS, on November 27, 2007, bids were received from seven interested firms; and

WHEREAS, the firm of EarthTech Architecture (EarthTech), serving as RIAC's design consultant for this project, determined that Alhambra Building Company (Alhambra) submitted the lowest responsive bid; and

WHEREAS, RIAC staff recommended award of this contract to Alhambra at the December 2007 Operations and Capital Committee (Committee) Meeting; and

WHEREAS, the Committee tabled the motion and requested that staff further evaluate certain information related to Alhambra's safety record, compliance with prevailing wage requirements, workmanship and ability to complete a project of this scope; and

WHEREAS, Earthtech and RIAC performed additional analysis based on the Committee's concerns and reaffirms their recommendation to

award this contract to Alhambra; and

WHEREAS, this contract will be funded through the 2005 Airport Revenue Bond Fund and future airport revenue bonds; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the Interim President and CEO, or his designee, to execute a Construction Contract with Alhambra Building Company for the New Customer Hangar Project at Quonset in the amount of \$5,916,000.

8. Finance and Audit Committee Report:

Mr. Schattle reported that there was no meeting in January but that there will be a meeting scheduled in February.

9. Human Resources Committee Report:

Mr. Sangster reported that work is continuing on the non-union

compensation study and it is anticipated that there will be a formalized proposal at the Human Resources Committee Meeting in February.

Mr. Sangster reported that recruiting is underway for the position of Senior Vice President of Operations and Maintenance.

10. Executive Session:

A motion was made by Mr. Hahn to amend the agenda to include discussion of pending litigation in relation to RIPDES. Mr. Traficante seconded the motion. It was noted that there would be no discussion of agenda item (e) Working Session Related to Personnel (President and CEO Candidate Evaluations) – R.I.G.L. § 42-46-5(a)(1).

(a) Discussion Relating to Perspective Business Locating in Rhode Island –

R.I.G.L. § 42-46-5(a)(6).

(b) Potential Litigation (Two Non-Public Matters, EIS) and Pending Litigation (RIPDES) - R.I.G.L. § 42-46-5(a)(2).

(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Intermodal Contract Negotiations and Air Service Development) - R.I.G.L. § 42-46-5(a)(7).

(d) Discussion Related to Disposition of Publicly Held Property Where Advanced Public Information Would be Detrimental to the Public Interest (Airline Leases) – R.I.G.L. § 42-46-5(a)(5).

At approximately 4:28 p.m., a motion was made by Mr. Hahn and seconded by Mr. Forte to go into Executive Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

Mr. Larisa arrived at the meeting at 4:30 p.m.

At approximately 5:30 p.m., a motion was made by Mr. Forte and seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Hahn and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7(c). By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Joseph Larisa

Michael Traficante

Robert D. Sangster

Russell Hahn

NAYS: None

ABSTAIN: None

11. Future Meetings:

The next meeting will be held on Wednesday, February 20, 2008, at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

12. Adjournment:

At approximately 5:32 p.m., a motion was made by Mr. Forte and seconded by Mr. Hahn to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation

ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS MEETING
JANUARY 16, 2008

| NAME | AFFILIATION |
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| Doug Dansereau | RIAC |
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| Bruce Wilde | RIAC |
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| Darrell Watson | RIAC |
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| Brenda Pope | RIAC |
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| Ahmed Shihadeh | RIAC |
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| Joe DaSilva | RIAC |
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Steve Cahill RIAC

Rebecca Pazienza RIAC

Beth Tetreault RIAC

Allison Cahill RIAC

Doreen Pizarro RIAC – Council 94, Local 2873

Kevin Dillon Orlando Airport Authority

Don Pillsbury RIPA

Sue Pillsbury RIPA

Robert Goff New England Parking

Mike Kennedy Gilbane Building Company

Ken Fullerton Fullerton and Friar

Bill Case Fullerton and Friar

Meredith Holderbaum Senate Fiscal Office

The minutes of the Executive Session of the Board of Directors Meeting of January 16, 2008 have been sealed in accordance with R.I.G.L. § 42-46-7(c).